

Ref. No. 3390/Ninety-Two Limited/CRDB/2020/02

12th February, 2020

Chief Executive Director,
Ninety-Two Ltd,
P. O. Box 31564,
Dar es salaam, Tanzania.

Dear Sir,

Re: Financing Proposal For Term Loan of USD 6.2 million.

The heading above refers.

CRDB Bank Plc is pleased to set out in this letter the following indicative terms and conditions for financing of long-term trading cycle of the company

Confidentiality

By accepting delivery of this Term Sheet, the Borrower agrees that this Term Sheet is for its confidential use only and that neither its existence nor the terms hereof will be disclosed by it to any person other than its officers, directors, employees, accountants, legal counsel and other advisors, and then only on a "need to know" basis in connection with the transaction contemplated herein and on a confidential basis.

Important Note

This Term Sheet is for discussion purposes only and subject to change. It does not constitute a commitment by Lender, nor does it contain any representation or warranty of any kind on the part of the Lender. Upon signature by the Borrower the terms of this Term Sheet shall, at the election of the Lender, become binding on the Borrower in relation to the Borrower's understandings (and the Lender's requests) to provide any information or documents or represent or warrant any facts or may be required by the Lender to make its decision on whether to enter into the proposed transaction. The making available of any finance by the Lender to the Borrower is contingent upon an unlimited scope due diligence to the satisfaction of the Lender; negotiation of mutually satisfactory terms and conditions; obtaining effective security over the assets and the rights described herein; approval of the transaction by the Lender's Executive Committee and/or Board of Directors and the execution of satisfactory legal documentation. This Term Sheet contains certain special conditions, which are in addition to other standard terms and conditions that will appear in the Finance Documents. Notwithstanding the foregoing however, in the event of the cancellation of the proposed funding after the signature of this Term Sheet by the Borrower, any costs, fees or expenses incurred by the Lender in connection with this Term Sheet or the transactions contemplated herein referred to below will become due, owing and payable by the Borrower and the Shareholders, jointly and severally, to the Lender and the Lender shall have the right to cancel, at its sole discretion, any facility approved by its Executive Committees and/or Board of Directors should the relevant financing agreements not be signed by the Borrower within 30 (thirty) days from date of such approval.

1.1 DEFINITIONS

1.2 Borrower Ninety-Two Limited

2.0 SPECIFIC TERMS AND CONDITIONS FOR THE TERM LOAN:

2.1 Currencies and Amount USD 6,278,000 (Say: US Dollar Six Million Two Hundred Seventy Eight Million Only)

2.2 Purpose To Part finance construction and commissioning of hydropower plant of 2 MW in Ngorongoro district, Arusha Region.

2.3 Tenor Up to 120 months including a grace period of 18 months. Expected maturity is December 2029

2.4 Security The facility shall be secured by:

- i. Legal mortgage on landed property (hotel building) located in Shekilango, Sinza area, now in the name of company director;
- ii. Specific Debenture over turbines and power generator financed through CRDB loan;
- iii. General Debenture of the company;
- iv. Shareholder's Guarantee including Guarantee from a Strategic Investor

2.4 Repayment frequency Amortized, quarterly basis.

2.5 Initial Conditions Precedent Shall include but not limited to:

- Confirmation of equity contribution from a strategic investor;
- Upfront utilization of equity stake of the project before loan funds are disbursed;
- Submission of executed Power Purchase Agreement from Tanesco;
- Submission of legal documents for ownership of project plot;
- Execution of Deed of assignment for contract proceeds from Tanesco;
- Completion of the legal due diligence on the Borrower to the satisfaction of the Lender.
- Satisfactory probity checks carried out in any director/shareholder of the Borrower, if required.
- Any other conditions determined by the Lender's Executive Committee/board of directors or as may be usual for transactions of this nature.

2.6 Draw – Down Conditions Drawdown will be available upon accepting the offer letter and fulfill condition precedents.

2.7 Draw-down/Effective date of utilization: The amount shall be drawn against validated invoices by borrower or acceptable evidence for fund utilization by the.

2.8 Interest Rate Interest rate of 8% per annum shall be calculated based on actual numbers of days elapsed over a 360-day year.

The Lenders reserves the right to change the rate of interest with prior notice to the borrower.

2.9 Penalty interest **3.0% (three per cent)** per annum above the applicable interest rate will be charged if the Borrower fails to pay any installment due either in full or part thereof.

3.0 Covenants

i. Financial Covenant

: Annual increase in sales revenue at minimum of 10% per annum (new mini-grid connections)

ii. Debt Service

Reserve Account

: Monthly balance at 0.5 (One-Third Quarterly Instalment)

iii. Information Covenants

: Regular updates in case of changes in key personnel who are involved in repayment process of the proposed term loan facility.

3.0 Fees and Charges: Fees and charges will be paid based on rates and charges ruling on date of signing the documents. The current rates are as follow:

S/N	Type of Fee	Amount in USD
1	Application Fees (0.5%), max US\$ 10,000 (payable upfront)	10,000
2	Facility fee (0.5%) of facility amount	31,390
3	Legal Documentation Fees (USD 500 per Document)	
	Term Loan Facility Letter	500
	Total	41,890

4.0 Banking Transactions

The Borrower shall conduct at 100% of all banking transactions, including all foreign exchange transactions, through CRDB Bank Plc. The borrower shall seek CRDB Bank's written consent to be allowed to use other banks. The violation of this condition by the Borrower shall amount to default in the loan terms and conditions, for which the Bank shall take appropriate action which includes but not limited to calling off the credit facility.

5.0 Environmental

The Borrower will ensure that the project is operated and maintained in compliance with all applicable environmental statutes, regulations and by-laws of Tanzania. The Borrower shall provide the Bank with a full indemnity against any costs and liabilities in Tanzania in respect of breaches of Tanzania' environmental laws. The indemnity will survive the repayment or cancellation of the Facility.

6.0 Availability Period

The term loan shall be available on an uncommitted basis pending satisfaction of all conditions precedent whereupon it shall be a fully

committed facility.

7.0 Expenses

The Borrower shall pay all costs: inclusive of the legal fees, directly to the Counsel(s) for preparation of the Facility Agreement and related documentations; stamp duties, travel and out-of-pocket expenses incurred by the Lender in the preparation, negotiation and due execution of the Finance Facility documentations, including perfection of the securities under local law and any site visit(s) as may be required by the Lender.

8.0 Taxes and Other Deductions

All amounts payable to Lender shall be made free and clear of and without deduction for or on account of all present or future taxes, duties, withholdings, levies, imposts or deductions of whatsoever nature. In the event the Borrower is obliged to make any deductions or withholdings, the Borrower will make such additional payments as are necessary to cause the Lender to receive the net amount they would otherwise have received but for such deduction or withholding.

9.0 Repayment Sources:

The sources of repayment of the loan shall be income generated by Zanzibar Aviation Authority.

9.0 Governing law and jurisdiction

The Facility Agreement will be subject to the Laws of Tanzania, whereas the Bank will have the right to appoint external legal counsels within and/or outside the country for handling legal issues on behalf of the Bank at the Borrower's costs.

10.0 Expiration of above terms

30th June 2020

Moreover, the CRDB Bank Plc reserves the right to reconsider/or cancel this indicative offer if execution of the Facility Agreement and all the other related loan documentations are not finalized within two months after the date of this Indicative Terms Sheet

11.0 Compliance to Credit Terms and Conditions

If any of the loan terms or conditions is intentionally violated interest rate will be increased by 3% (three percent) per annum.

12.0 Others

The above terms and conditions together with other terms and conditions usual for transactions of this nature shall be included in the facility agreements and security instruments/agreements to be signed by the Bank and the Borrower.

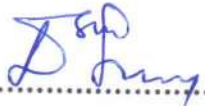
We hope that this indicative financing proposal will contribute to the realization of the project. If you have any questions please do not hesitate to contact in our Head Office in Dar es, salaam with team from Corporate Banking Department: andrew.mbunda@crdbbank.com mobile no. +255 754 254 049

Yours Faithfully,



Prosper Nambaya
Ag. Chief Commercial Officer

Accepted for and on behalf of **Ninety-Two Limited** on this ^{13th} day of **Feb. 2020**



Signature

Name: **DENNIS S. MAKOI**
Position: **CHIEF EX. DIRECTOR**
Date: **13th Feb. 2020**



Signature

Name: **SIRITO D. MAKOI**
Position: **DIRECTOR**
Date: **13th FEB 2020**

Ref. No. 3390/Ninety-Two Limited/CRDB/2021/29

30th August, 2021

Chief Executive Director,
Ninety-Two Ltd,
P. O. Box 31564,
Dar es salaam, Tanzania.

Dear Sir,

Re: Financing Proposal For ECA-Backed Term Loan of USD 6.8 million.

The heading above refers.

CRDB Bank Plc is pleased to set out in this letter the following indicative terms and conditions for financing of hydropower plant project of 2 MW.

Confidentiality

By accepting delivery of this Term Sheet, the Borrower agrees that this Term Sheet is for its confidential use only and that neither its existence nor the terms hereof will be disclosed by it to any person other than its officers, directors, employees, accountants, legal counsel and other advisors, and then only on a “need to know” basis in connection with the transaction contemplated herein and on a confidential basis.

Important Note

This Term Sheet is for discussion purposes only and subject to change. It does not constitute a commitment by Lender, nor does it contain any representation or warranty of any kind on the part of the Lender. Upon signature by the Borrower the terms of this Term Sheet shall, at the election of the Lender, become binding on the Borrower in relation to the Borrower’s understandings (and the Lender’ requests) to provide any information or documents or represent or warrant any facts or may be required by the Lender to make its decision on whether to enter into the proposed transaction. The making available of any finance by the Lender to the Borrower is contingent upon an unlimited scope due diligence to the satisfaction of the Lender; negotiation of mutually satisfactory terms and conditions; obtaining effective security over the assets and the rights described herein; approval of the transaction by the Lender’s Executive Committee and/or Board of Directors and the execution of satisfactory legal documentation. This Term Sheet contains certain special conditions, which are in addition to other standard terms and conditions that will appear in the Finance Documents. Notwithstanding the foregoing however, in the event of the cancellation of the proposed funding after the signature of this Term Sheet by the Borrower, any costs, fees or expenses incurred by the Lender’ in connection with this Term Sheet or the transactions contemplated herein referred to below will become due, owing and payable by the Borrower and the Shareholders, jointly and severally, to the Lender and the Lender shall have the right to cancel, at its sole discretion, any facility approved by its Executive Committees and/or Board of Directors should the relevant financing agreements not be signed by the Borrower within 30 (thirty) days from date of such approval.

1.1 DEFINITIONS

- 1.2 Borrower** : Ninety-Two Limited
- 1.3 Financier (Local)** : CRDB Bank PLC
- 1.4 Financier (Off-Shore)** : Austria Export Import Bank (Austria Exim Bank)
- 1.5 Guarantor (Off-Shore)** : Austria Export Credit Agent (OeKB)
- 1.6 Source Funds (Local Financier)** : Credit Line – Tanzania Rural Electrification Expansion Program (TREEP)
- 1.7 Supplier** : Gugler Water Turbines

2.0 FACILITY

- 2.1 Term Loan 1 (Local)** : TZS Equivalent to USD 5,200,000
- 2.2 Term Loan 2 (Local)** : TZS Equivalent to USD 327,861
- 2.2 ECA Finance (Off-Shore)** : USD 1,200,000
- 2.3 Overdraft (Local)** : TZS Equivalent to USD 20,000

3.0 TRANSACTION STRUCTURE

- 3.1 Borrower signing of general contract with supplier;
- 3.2 Loan agreement between Borrower and CRDB Bank PLC;
- 3.3 Loan agreement between Austria Exim Bank and Supplier supported by guarantee from Guarantor (ECA);
- 3.4 Signing of tripartite agreement between Borrower, Supplier and CRDB Bank;
- 3.5 Disbursement of Advance Payment by CRDB to Supplier (Term Loan 2);
- 3.6 Disbursement of Term Loan 1 for start Civil works;
- 3.7 Disbursement of working capital (Overdraft) after commence of production;
- 3.8 Refund to CRDB from TREEP Credit line on every disbursement made to borrower;
- 3.9 CRDB remittance of principle and interest to Austria Exim Bank, 6 months after commissioning.

4.0 SPECIFIC TERMS AND CONDITIONS FOR THE TERM LOAN 1:

- 4.1 Currencies and Amount** : TZS Equivalent to USD 5,200,000 (Say: US Dollar Five Million Two Hundred Thousand Only)
- 4.2 Purpose** : To Part finance civil works activities in construction and commissioning of hydropower plant of 2 MW in Ngorongoro district, Arusha Region.

5.0 SPECIFIC TERMS AND CONDITIONS FOR THE TERM LOAN 2:

5.1 Currencies and Amount : TZS Equivalent to USD 327,861 (Say: TZS Equivalent to US Dollar Three Hundred Twenty Seven Thousand Eight Hundred Sixty One Only)

5.2 Purpose : Financing of Advance Payment to supplier and payment of ECA premium for electrical and mechanical equipment

6.0 SPECIFIC TERMS AND CONDITIONS FOR THE OVERDRAFT:

6.1 Currencies and Amount : TZS Equivalent to USD 20,000 (Say: TZS Equivalent to US Dollar Twenty Thousand only)

6.2 Purpose : Working capital facility to support operations of the project including administrative and operational cost.

6.3 Tenor : Twelve months renewable upon satisfactory performance

7.0 GENERAL TERMS AND CONDITIONS FOR THE OVERDRAFT:

7.1 Security The facility shall be secured by:

- i. Legal mortgage on landed property (hotel building) located in Shekilango, Sinza area, now in the name of company director;
- ii. Specific Debenture over turbines and power generator financed through CRDB loan;
- iii. General Debenture of the company;
- iv. Shareholder's Guarantee

7.2 Repayment frequency Amortized, quarterly basis.

7.3 Initial Conditions Precedent Shall include but not limited to:

- Submission of executed Power Purchase Agreement from Tanesco;
- Submission of legal documents for ownership of project plot;
- Execution of Deed of assignment for contract proceeds from Tanesco;
- Submission of evidence for equity contribution by borrower to the project;
- Completion of the legal due diligence on the Borrower to the satisfaction of the Lender;
- Satisfactory probity checks carried out in any director/shareholder of the Borrower, if required.
- Any other conditions determined by the Lender’s Executive Committee/ board of directors or as may be usual for transactions of this nature.

7.4 Draw – Down Conditions Drawdown will be available upon accepting the offer letter and fulfill condition precedents.

7.5 Draw-down/Effective date of utilization: The amount shall be drawn against validated invoices by borrower or acceptable evidence for fund utilization by the.

7.6 Interest Rate Interest rate of 7% per annum shall be calculated based on actual numbers of days elapsed over a 360-day year.

The Lenders reserves the right to change the rate of interest with prior notice to the borrower.

7.7 Penalty interest **3.0% (three per cent)** per annum above the applicable interest rate will be charged if the Borrower fails to pay any installment due either in full or part thereof.

7.8 Covenants

i. Financial Covenant Annual increase in sales revenue at minimum of 5% per annum (new mini-grid connections)

ii. Debt Service Reserve Account Monthly balance at 0.5 (One-Third Quarterly Instalment)

iii. Information Covenants Regular updates in case of changes in key personnel who are involved in repayment process of the proposed term loan facility.

8.0 Fees and Charges: Fees and charges will be paid based on rates and charges ruling on date of signing the documents. The current rates are as follow:

S/N	Type of Fee	Amount in USD
1	Application Fees (0.5%), max US\$ 10,000 (payable upfront)	10,000
2	Facility fee (0.5%) of facility amount	27,779
3	Legal Documentation Fees (USD 500 per Document)	
	Term Loan Facility Letter	500
	Total	38,279

9.0 Banking Transactions

The Borrower shall conduct at 100% of all banking transactions, including all foreign exchange transactions, through CRDB Bank Plc. The borrower shall seek CRDB Bank's written consent to be allowed to use other banks. The violation of this condition by the Borrower shall amount to default in the loan terms and conditions, for which the Bank shall take appropriate action which includes but not limited to calling off the credit facility.

10.0 Environmental

The Borrower will ensure that the project is operated and maintained in compliance with all applicable environmental statutes, regulations and by-laws of Tanzania. The Borrower shall provide the Bank with a full indemnity against any costs and liabilities in Tanzania in respect of breaches of Tanzania's environmental laws. The indemnity will survive the repayment or cancellation of the Facility.

11.0 Availability Period

The term loan shall be available on an uncommitted basis pending satisfaction of all conditions precedent whereupon it shall be a fully committed facility.

12.0 Expenses

The Borrower shall pay all costs: inclusive of the legal fees, directly to the Counsel(s) for preparation of the Facility Agreement and related documentations; stamp duties, travel and out-of-pocket expenses incurred by the Lender in the preparation, negotiation and due execution of the Finance Facility documentations, including perfection of the securities under local law and any site visit(s) as may be required by the Lender.

13.0 Taxes and Other Deductions

All amounts payable to Lender shall be made free and clear of and without deduction for or on account of all present or future taxes, duties, withholdings, levies, imposts or deductions of whatsoever nature. In the event the Borrower is obliged to make any deductions or withholdings, the Borrower will make such additional payments as are necessary to cause the Lender to receive the net amount they would otherwise have received but for such deduction or withholding.

14.0 Repayment Sources:

The sources of repayment of the loan shall be income generated through project revenues, payment received from Tanesco.

15.0 Governing law and jurisdiction

The Facility Agreement will be subject to the Laws of Tanzania, whereas the Bank will have the right to appoint external legal counsels within and/or outside the country for handling legal issues on behalf of the Bank at the Borrower's costs.

16.0 Expiration of above terms

30th June 2022

Moreover, the CRDB Bank Plc reserves the right to reconsider/or cancel this indicative offer if execution of the Facility Agreement and all the other related loan documentations are not finalized within two months after the date of this Indicative Terms Sheet

17.0 Compliance to Credit Terms and Conditions

If any of the loan terms or conditions is intentionally violated interest rate will be increased by **3%** (three percent) per annum.

18.0 Others

The above terms and conditions together with other terms and conditions usual for transactions of this nature shall be included in the facility agreements and security instruments/agreements to be signed by the Bank and the Borrower.

We hope that this indicative financing proposal will contribute to the realization of the project. If you have any questions please do not hesitate to contact in our Head Office in Dar es, salaam with team from Corporate Banking Department: andrew.mbunda@crdbbank.com mobile no. +255 754 254 049

Yours Faithfully,

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Accepted for and on behalf of **Ninety-Two Limited** on this..... day of

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Signature

Name:

Position:

Date:

.....

Signature

Name:

Position:

Date: